



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0312	Title:	Require MDT to consider growth policies and neighborhood plans
Primary Sponsor:	Wilson, Nancy	Status:	As Introduced

- | | | |
|---|---|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund		----- Unknown -----		
State Special Revenue		----- Unknown -----		
Revenue:				
General Fund		----- Unknown -----		
State Special Revenue		----- Unknown -----		

Description of fiscal impact: The potential fiscal impacts of HB 312 cannot be quantified.

FISCAL ANALYSIS

Assumptions:

- As written, HB 312 would require the Montana Department of Transportation (MDT) to consider and incorporate recommendations from locally approved neighborhood plans or growth policies into MDT's recommendations to the transportation commission; as long as those recommendations don't violate federal requirements or affect safety.
- Incorporating these recommendations into MDT's projects has the potential to significantly increase the cost of MDT's construction program and maintenance activities, while also degrading the efficient operation of the state highway system.
- The impact of this bill cannot be quantified

Long-Term Impacts:

- Neighborhood plans and growth policies may include project attributes that would significantly increase MDT's construction project and maintenance costs. For example, under the proposed language if MDT planned pavement marking maintenance work in an area where an adopted neighborhood plan requires that all projects in the area include certain enhancements or design features, MDT would be required to

incorporate these attributes into the project. Doing so would increase the scope of the project beyond what is considered maintenance. Overall expenditures on maintenance activities may be reduced if resources are diverted to enhanced neighborhood features. The impact would be similar on pavement preservation projects and rehabilitation projects.

2. If maintenance and preservation projects on the system are delayed, there is significant additional future cost incurred due to the infrastructure condition degrading beyond certain thresholds. The accepted transportation industry standard is that for every dollar not spent on timely preventative maintenance results in spending between \$4 and \$8 for reconstruction a future years.
3. HB 312 provides exceptions in instances where the local recommendations violate federal regulations or affect safety, but make no accommodation for system operations. The language as proposed allows the locally adopted recommendations the opportunity to reduce capacity and significantly increase system congestion and delay. Through MAP-21, a highway funding authorization bill passed in 2012, Congress established national performance goals for system delay and reliability which may be impacted by local recommendations.

Sponsor's Initials

Date

Budget Director's Initials

Date